

Testimony to the Environment Committee

MONDAY, JANUARY 30, 2023

SB No. 895 (RAISED) AN ACT CONCERNING DEPOSIT INITIATOR ACCOUNTS AND CARBONATED BEVERAGES. (ENV)

Thank you for the opportunity to submit testimony on behalf of independent redemption centers of Connecticut. My comments will be directed towards SB No. 895, but to a greater extent, I will update the committee on the success for the recently modernized "Bottle Bill". The Bottle Bill, as we know many on the Environment Committee know, creates an effective incentive to recycle single-serve bottles and cans.

First, I want to thank the legislators and the committee's leadership on the increase in the handling fee RCs have finally released after 30 plus years without an increase. The 3.5 cents fee increase is giving our independent redemption centers a fighting chance to continue to serve customers and communities, while at the same time, allowing us address increases operating costs associated with inflation and other pandemic related inconveniences. To that point, we are seeing surrounding state legislatures, like in New York and Maine, consider increasing the handling fee further to address the dramatic increases in operating costs, wage pressure, and the challenge running a small business in a pandemic / post pandemic environment.

We can report that the recently passed legislation has helped increase the number of independent redemption centers opening up throughout the state. It was recently learned, DEEP is close to approving / awarding grants through the Beverage Container Recycling Grant program; you will see you more locations, opening in previously underserved communities, for the public to redeem their bottles and cans.

The modernization of the Bottle Bill expands the types of containers to include in the program which now includes juices, teas and sports drinks. In recent months Redemption Center owners have voiced their concern with DEEP's level of engagement in public education regarding what containers are covered under the expansion. We are seeing customers being excited to redeem the newly included containers, like the sports drinks. But we are also seeing frustration because RC owners have to turn away certain containers mistakenly returned with the assumption, they are part of the program. If DEEP and the industry can't agree on what's included in the expansion how is the public expected to be aware of what should be covered. As independent RC operators we feel that the containers should all be treated equally, if the product is considered a "Hard Seltzer" then it shouldn't matter if it is Malt based or Spirit based. This matter creates tension with CT consumers and RCs as we have to argue and deal with the fallout of these decisions. The easiest and cleanest solution to implement is one that is more inclusive of products rather exclusive of certain product due to the alcohol makeup of the container. The containers are identically, there is no difference between a Truly Hard Seltzer Can and a High Noon Seltzer Can (Vodka based), we receive thousands upon thousands of spirit based containers daily, something must be done.

Another matter of great concern, which could make the bill we are discussing and the Bottle Bill Program a moot point. We wrote to Commissioner Dykes in summer of 2022 expressing our significant concern over the language found in Section 9 of Public Act No. 21-58 An Act Concerning Solid Waste Management. As we pointed out when the bill was being crafted in 2021, Section 9 is causing uncertainty in the industry and if not addressed will bring about the demise of the independent redemption centers in the state of Connecticut. The language found in the act for the stewardship model does not allow for the operation of an independent redemption center. It is a producers/initiators owned system only. The uncertainty in the management of a future stewardship model under the control of large producers/initiators is directly undercutting the ability of the Beverage Container Recycling Grant program to address access issues in underserved communities.

Recent activity at DEEP has clearly shown a situation where certain parties are not complying with the statute, and that any further action by DEEP concerning a beverage stewardship container organization or plan under the statute are completely unauthorized. The language contained in Sec. 9, contemplated that a DEEP- approved Stewardship Organization that meets specified criteria may submit a stewardship plan for consideration by DEEP on or before July 1, 2022. To date, no Stewardship Organization has been approved. The RCs feel the process has been abused in critical ways in which DEEP and the American Beverage Association (ABA) have acted outside the General Assembly's limited grant of authority and have failed to meet the applicable statutory conditions and deadlines. The RCs have been made aware that the ABA is in the process of applying for approval as a stewardship organization but is having difficulty obtaining a non-profit determination letter from the IRS.

The independent redemption centers of Connecticut are asking the members of the environment committee to ensure there are adequate resources for DEEP to educate the public on the expansion to new types of containers and the eventual change in the deposit from 5 cents to 10 cents. Finally, we implore you to address the uncertainty and the chaos being caused by Section 9 in Public Act No. 21-58. The statute is not being followed correctly, DEEP does not have statutory authority to accept a stewardship plan from the ABA or any other group – approved or unapproved – after July 1, 2022. DEEP, alarmingly and incorrectly, believes that it does.

Finally, please consider that the law states that in developing a plan, an approved organization shall obtain input from specific organizations such as redemption centers. Upon information and belief, as of July 5, 2022, the American Beverage Association has not obtained input from the RC organizations. So, any initiative to establish a stewardship organization and plan going forward must be the subject of new authorizing legislation.

Thank you for taking our concerns seriously and allow the sections, which modernize the Bottle Bill, to take effect giving Connecticut residents more access to redemption centers and more opportunities to redeem their bottle and cans.

Shahil Kantesaria, CT Redemption Centers Consultant/Advocate
885 East Street North, Suffield CT 06078